

VZCZCXRO8409

PP RUEHDBU RUEHDT RUEHKN RUEHLMC RUEHMJ RUEHMR RUEHPB

DE RUEHDR #1560/01 2620845

ZNY CCCCC ZZH

P 190845Z SEP 06 ZDK ZUI HSD 0158

FM AMEMBASSY DAR ES SALAAM

TO RUEHC/SECSTATE WASHDC PRIORITY 4777

INFO RUCNCLM/MCC CANDIDATE COUNTRY COLLECTIVE PRIORITY

RUEHDS/AMEMBASSY ADDIS ABABA PRIORITY 3061

RUEHLB/AMEMBASSY BEIRUT PRIORITY 0015

RUEHKM/AMEMBASSY KAMPALA PRIORITY 2835

RUEHKI/AMEMBASSY KINSHASA PRIORITY 0211

RUEHMS/AMEMBASSY MUSCAT PRIORITY 0022

RUEHNR/AMEMBASSY NAIROBI PRIORITY 0271

RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 DAR ES SALAAM 001560

SIPDIS

SIPDIS

E.O. 12958: DECL: 09/14/2011

TAGS: PREL PGOV EAID ECON PINR PHUM PBTS TZ

SUBJECT: ZANZIBAR OPPOSITION: STARTING TROUBLE OR SAVING FACE?

REF: A. DAR ES SALAAM 1495

1B. DAR ES SALAAM 1433

DAR ES SAL 00001560 001.2 OF 003

Classified By: D. Purnell Delly, Deputy Chief of Mission, for reason 1. 4(d).

11. (C) SUMMARY. At a September 9 political rally, Ibrahim Lipumba, national leader of the opposition Civic United Front (CUF), set a deadline for breaking the political impasse on Zanzibar, provocatively suggesting Lebanon's Hezbollah as a model for action if the stalemate on the isles continues. During a lengthy discussion with the Deputy Chief of Mission (DCM), Dr. Hussein Mwinyi, Minister of State for Union Affairs and son of Tanzania's second President (Ali Hassan Mwinyi), said Lipumba's remarks should be seen as an attempt "to save face" with CUF's increasingly restless youth wing. Lipumba's remarks should also be seen, he said, as a plea to President Kikwete to take promised action on the political impasse before it is too late.

12. (C) With the possibility of striking oil off the coast of Zanzibar, Mwinyi also addressed the relationship between Zanzibar and the mainland, saying his Ministry was in the midst of seeking an oil sharing agreement and resolving other "union matters" such as taxation at the ports and fishing rights. He emphasized the unique nature of the union and his optimism that these issues would be "sorted out" before 2010 elections. Mwinyi is clearly a rising star within the ruling party and rumored favorite of Kikwete to succeed Karume as President of Zanzibar in 2010. While it is too early to place bets, what is clear even now is that Mwinyi takes a refreshingly moderate and conciliatory approach to Zanzibari politics, perhaps boding well for the isles longer-term future. END SUMMARY.

CUF Starting Trouble or Saving Face?

13. (C) The DCM asked Minister Mwinyi about the provocative, if not incendiary, statements which the Civic United Front (CUF) party Chairman, Ibrahim Lipumba, had made at a CUF rally on Pemba on September 9. According to numerous press articles, including a front page article in the Citizen newspaper on September 10, Lipumba told supporters that if nothing was done to normalize Zanzibar's political climate before the Muslim holy month of Ramadhan, CUF would take the matter back to the people ("wananchi" in Swahili). He praised Lebanon's Hezbollah as a model to deal with the situation if the government failed to defuse tensions on the

isles. While not dismissing the inflammatory nature of the remarks, Minister Mwinyi expressed his view that the statements were primarily an attempt by CUF leadership to save face with supporters, particularly the youth. (Comment: In past reporting we have suggested CUF youth may be losing patience with old guard CUF leadership. See refs A and B).

¶4. (C) Mwinyi explained that after the 2005 elections in Zanzibar, CUF leaders told the youth wing that the results would not be accepted since the elections were not fair and that the leaders would seek to resolve the problem by October 2006. Since October is nearing, the youth are demanding answers: "To save face, CUF is warning CCM to do something or deal with a frustrated cadre of CUF youth," he said. He also added that the "real cry" was to President Kikwete to take action on the promise he made during in inaugural December 2005 inaugural speech to Parliament to solve Zanzibar's political impasse. Emphasizing that the Minister of State under the President's Office, Kingunge Ngombale Mwiru, had the lead on political affairs within Zanzibar, Mwinyi noted that Mwiru had already started to sort out difficult issues on Zanzibar.

¶5. (C) Commenting on the extent of President Kikwete's influence over Zanzibar, Mwinyi said that Kikwete did have the power to "get some results" because he was the CCM's party Chair. He noted that when former President Benjamin Mkapa was CCM party Chair he had managed to reach compromise agreements in Zanzibar between CCM and CUF; namely Mufuaka I and II. While confirming that indeed CCM has factions in Zanzibar between "CCM Bilal" and "CCM Amani Karume" (ref A), Mwinyi highlighted President Kikwete's strong support within the party and the fact that Zanzibar's president depends on the Union government for a party nomination.

A Unique Union

DAR ES SAL 00001560 002.2 OF 003

¶6. (SBU) Mwinyi elaborated on what he called the "unique nature" of the union between the mainland and Zanzibar. The Union is not a federation, nor is it one government either. Mwinyi confirmed that there was underlying resentment about the Union on both sides, with people wanting either one government or three governments but not two. CUF, he explained, does not oppose union with the Mainland but wants three governments, one on the Mainland, one on Zanzibar and a Union government with representatives from each. Some people on the Mainland would prefer only one government, believing that Zanzibar receives undue attention and representation. Mwinyi stated, however, that the official CCM Manifesto supports two governments in union and that if a CCM member does not support the Union, he or she must leave the party.

¶7. (C) Mwinyi explained that the Articles of the Union, established when Tanganyika and Zanzibar united to become Tanzania in 1964, included defense, monetary policy and foreign affairs. Mwinyi said that in 1964 there were 11 Articles of Union and currently, there are 22. (Note: For an issue to become an Article of the Union, it must obtain two-thirds support from Mainland representatives of the National Assembly and two-thirds support from representatives of Zanzibar in the National Assembly). Mwinyi said that there continue to be certain issues where the GOT and the GOZ do not see eye-to-eye, and that the mandate of his Ministry of Union Affairs is to address these sometimes contentious, but primarily, economic-related issues.

Ironing out Differences: Resources, Human Rights, Taxation

¶8. (C) Minister Mwinyi explained that the Kikwete administration had established quarterly meetings between Prime Minister, Edward Lowassa, and Chief Minister of Zanzibar, Vuai Shamsi Nahodha, to "iron out difficult matters" pertaining to the Union. The first meeting in May 2006 had four agenda items: (i) deep sea fishing rights; (ii)

the mandate of the Mainland's Commission for Human Rights on Zanzibar; (iii) petroleum exploration; and (iv) taxation at the ports. Mwinyi said that the first two agenda items "were sorted out." The GOZ had agreed with the GOT to establish a single authority for sharing revenue from deep sea fishing and that the Human Rights Commission (established on the Mainland) would conduct its work through the Ministry of Good Governance on Zanzibar since Human Rights was not a "Union Matter." Mwinyi expressed his confidence that the remaining issues facing the Union would be resolved within a reasonable timeframe: "I am optimistic that these agenda items will be sorted out within three to five years." However, he stressed, that the issue of oil sharing would be the most complicated of all.

Oil: A Huge Potential Wrinkle

¶9. (C) Mwinyi noted that experts believed oil could be found in territorial waters off Pemba and that oil-sharing between the GOT and GOZ would be contentious. "Already, before oil has been discovered, the Zanzibaris are bitter about the prospect of sharing," he said. The GOZ argues that it does not see any return from Mainland resources, such as gold, asking why the GOZ should share revenue from oil resources. Mwinyi said the fact is that in the Articles of the Union, "oil and gas resources" are listed as a "union matter" while mineral resources are not. Poloff highlighted that, in fact, Zanzibaris did benefit from the Mainland's mineral resources since the resources were taxed by the GOT and then a portion of the GOT budget was allocated to the GOZ each year. Mwinyi responded that this was exactly right and that the Union government would need to make this point more clear.

¶10. (C) Mwinyi mentioned one of the oil sharing agreements already proposed by the GOZ which was for the GOZ to retain 60 percent should oil be discovered off Zanzibar and 40 percent should oil to be discovered off the Mainland. He explained while this was an interesting proposal, the difficulty would be in convincing districts on the Mainland to give 40 percent of their revenue to the GOZ. Mwinyi noted that his Ministry had decided to hire a consultant to find a solution and make recommendations regarding a revenue sharing agreement for oil. He did clarify that exploration of oil off Pemba would not begin off until an agreement was reached and even suggested that if the issue was too difficult, it could be put on hold. "Sometimes, if an issue is just too difficult, you can always shelve it for another time," he

DAR ES SAL 00001560 003.2 OF 003

told the DCM.

Economic Stagnation Widespread on Pemba and Unguja

¶11. (C) Mwinyi also stressed the stagnation of Zanzibar's economy. "Although Pembaans are highly vocal about economic distress because they do not support the ruling party, the poverty and lack of employment is widespread on both islands," Mwinyi said. He agreed with Econoff that the official statistics reporting five percent growth rates in Zanzibar sounded unrealistic, saying, "I really don't know how they get to a five percent growth rate." Mwinyi expressed his optimism about the Millennium Challenge Account (MCA) Compact proposal which included projects on both Unguja and Pemba. He also raised the fact that while tourism was Unguja island's mainstay, that the people were not benefiting enough from the industry's growth because many of the travel agencies bringing in charter flights and tourists to resorts were based abroad. Also, many of the service industry's employees were not from Zanzibar. The DCM and Mwinyi agreed to explore ways that donors might be able to assist Zanzibar to leverage tourism as a catalyst for more broad-based, sustainable growth.

Comment: Minister Mwinyi: Future President of Zanzibar?

¶12. (C) Rumors on both the street and within government here suggest President Kikwete may be grooming Minister Mwinyi as

the ruling party's presidential candidate for Zanzibar's 2010 elections. Rumors began with Mwinyi's appointment as Minister for Union Affairs, but other factors lend these rumors a further measure of credence. Born on Zanzibar, he is a well-respected leader on both mainland and the isles. In a sign that he may be looking ahead to 2010 elections, he switched constituencies in 2005 from the mainland to Zanzibar's Koani constituency near Stone Town. Moreover, his father, former President Ali Hassan Mwinyi, is increasingly seen as a close advisor to President Kikwete and as CCM party spokesman. GOT officials have also drawn the father-son parallel with Zanzibar's current President, Amani Karume, who became President some 20 years after his father.

¶13. (C) While it is too early to place bets on candidates for the 2010 elections, what is clear is that Mwinyi gives every indication he would be a positive force in Zanzibari politics. Asked for his policy prescription for Zanzibar's political woes, he said: "What we need most on Zanzibar is a leader who is ready to compromise, a leader that would support a coalition government." Those are political sentiments that clearly distinguish the younger Mwinyi from the younger President Karume, and perhaps bode well for breaking the impasse to Zanzibar's bitter political divide in ¶2010. END COMMENT.

DELLY